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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D. C. 20554

JAN 25 1995  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

Implementation of Section 309(j)  
of the Communications Act )

PP Docket No. 93-253

Competitive Bidding )

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To: THE COMMISSION

COMMENTS OF  
TELEPHONE AND DATA SYSTEMS, INC.

Telephone and Data Systems, Inc., a telecommunications holding company, on behalf of itself and its subsidiaries (collectively "TDS"), by its attorneys, submits the following comments in response to the Commission's Public Notice dated December 28, 1994 requesting comment on proposed auction procedures for broadband PCS "D," "E" and "F" block licensing.

1. Separate Auctions for "C" and "F" Block Licenses.

We agree with the Commission's stated preference to auction separately the "C" and "F" block licenses. By limiting the number of licenses being bid under simultaneous multi-round procedures in the "C" auctions, the Commission would greatly benefit DE bidders by reducing the duration and complexity of their participation in that auction. For similar reasons, as discussed hereafter, the Commission should also auction the "F" block licenses separately in a single auction.

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2. Separate Auction Combining "D" and "E" Block Licenses.

We support the Commission's original plan to set aside licenses, in this case "C" and "F" block licenses, for DE bidders because it preserves a significant opportunity for their participation in the development of advanced wireless technologies. We also support the Commission's prior decisions preserving opportunities for both new and incumbent non-DE bidders to bid for 10 MHz BTA licenses on the "D" and "E" blocks. We oppose the possible combination "D," "E," and "F" block licenses in a single auction.

Given the diversity and number of the parties commenting in the Commission's broadband PCS rulemaking proceedings, we expect that BTA 10 MHz block licenses will be eagerly sought after and that spectrum aggregation of 10 MHz blocks into 30 MHz combinations within individual BTA markets is not a realistic outcome. We also believe that there are significant penalties in terms of the duration and complexity of a single auction encompassing the "D," "E" and "F" blocks (i.e. 1,479 licenses) which far outweigh the highly unrealistic prospect that three 10 MHz blocks might be aggregated in a single BTA market.

3. Expanded DE Bidding Options in "D" and "E" Blocks.

We strongly oppose the proposed changes in the scope of installment payment options, in the anti-collusion rules and in the maximum eligibility limits which would apply in the auctions for the "D" and "E" block licenses as described in the Commission's Public Notice.

The Commission has set aside the "C" and "F" blocks for DE bidders to provide for their participation in broadband PCS deployment. The Commission should limit the scope of its DE preference procedures to those set-aside licenses.

#### 4. Auction Sequencing

We support the following sequence of broadband PCS auctions -- first, "C" block licenses, ... second, "D" and "E" block licenses ... and then the "F" block licenses. This sequence follows the pattern which the Commission adopted in first auctioning the "A"/"B" blocks followed by the "C" blocks. This approach preserves realistic opportunities for DE bidders in the "C" auction to solicit non-controlling investor interest from among the unsuccessful bidders in the preceding "A"/"B" auction. For the same reasons, this pattern should be followed by scheduling the "F" auction after the "D"/"E" auction.


#### 5. Conclusion

Based on our experience in prior and current auctions, we support the Commission's efforts to limit the aggregate number of licenses up for bid in any single auction. Holding a separate auction for the "C" block licenses is a step in the right direction. Logically and realistically the remaining sequence of the

broadband PCS auctions should also reflect these same considerations. The "D" and "E" block auctions should be followed by the "F" auction.

Respectfully submitted,

By

  
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